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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/886,486	06/22/2001	Edward J. Hogan	AP33454-070457.1023	6096

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NEW YORK, NY 10112

EXAMINER

WORJLOH, JALATEE

ART UNIT	PAPER NUMBER
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3621

DATE MAILED: 05/10/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/886,486

Applicant(s)

HOGAN ET AL.

Examiner

Jalatee Worjloh

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 03 February 2005.
2a) ☒ This action is FINAL. 2b) ☐ This action is non-final.
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-11 is/are pending in the application.
4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5) ☐ Claim(s) _____ is/are allowed.
6) ☒ Claim(s) 1-4 and 6 is/are rejected.
7) ☒ Claim(s) 5 and 7-10 is/are objected to.
8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
5) ☐ Notice of Informal Patent Application (PTO-152)
6) ☐ Other: _____.

DETAILED ACTION

Response to Amendment

1. This Office Action is responsive to the amendment filed on 02/03/2005, in which claim 6 was amended.

Response to Arguments

2. Applicants argue that claims 1 and 6 are statutory under 35 USC 101. However, the examiner disagrees. To overcome this rejection, it is suggested that Applicants include hardware within the claims' body (*e.g. a computer generating...*).

3. Applicants argue that the check site of the present invention is different from an acquirer or issuer site. The examiner notes that Applicants' claims do not provide such distinction.

Claim Rejections - 35 USC § 101

4. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1 and 6 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter. The claims are directed to a process that does nothing more than manipulate an abstract idea. There is no practical application in the technological arts. All that is necessary to make a sequence of operational steps a statutory process within 35 U.S.C. 101 is that it be in the technological arts so as to be in consonance with the Constitutional purpose to promote the progress of "useful arts." *In re Musgrave*, 431 F.2d 882, 167 USPQ 280 (CCPA 1970). Also, a claim is limited to a practical application when the method, as claimed,

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produces a concrete, tangible and useful result: i.e. the method recites a step or act of producing something that is concrete, tangible and useful. *See AT&T v. Excel Communications Inc.*, 172 F.3d at 1358, 50 USPQ2d at 1452.

Claim Rejections - 35 USC § 102

5. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

6. Claims 1-4 are rejected under 35 U.S.C. 102(e) as being anticipated by US Patent NO. 6000832 to Franklin et al.

Franklin et al. disclose generating a secret key associated with said payment account number (see col. 4, lines 59-63), using said secret key to generate a message authentication code specific to said transaction (see col. 5, lines 26-29), generating an authorization request message including said message authentication code, forwarding said authorization request message over said payment network to said check site (i.e. “issuing bank”) for verifying the authenticity of said message authentication code, verifying the message authentication code by said check site using said secret key, and responding to said authorization request message over said payment network based on said available funds and said transaction amount (see col. 5, lines 59-67; col. 6, lines 1-16).

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Referring to claim 2, Franklin et al. disclose said authorization request message is routed over said payment network based on a special bank identification number (i.e. "prefix") corresponding to said check site (see fig. 5, col. 10, lines 17-19; col. 11, lines 46-50). The process of routing based on a special bank identification number is an inherent step. That is, Franklin et al. teach "routing to issuing bank via the payment network is handled through conventional techniques", thereby in order to send messages to the check site, the bank identification number must be utilized.

Referring to claim 3, Franklin et al. disclose providing software at a user location for generating said secret key (see col. 5, lines 24-28).

Referring to claim 4, Franklin et al. disclose said payment account number is issued by an issuer and said response is provided by said issuer (see col. 5, lines 15-18, 59-63).

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 6 and 11 are rejected under 35 U.S.C. 103(a) as being unpatentable over Franklin et al. in view of US Patent No. 6574730 to Bissell et al.

Franklin et al. disclose generating a per-card key (i.e. "secret key") associated with said payment account number (see col. 4, lines 59-63), generating a message authentication code (MAC) using said per-card key (see col. 5, lines 26-39), generating a MAC verification request

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including said payment account number and said MAC and verifying said MAC (see col. 5, lines 59-67; col. 6, lines 1-16). Also, Franklin et al. teach “a temporary transaction number that is specific to a single transaction” (see col. 5, lines 36-39), which implies that for any additional transaction, a new MAC and number (i.e. “expected transaction sequence number”) will be created, and steps (a) –(d) of applicant’s claim will be implemented. Thus, Franklin et al. suggest steps (e)-(j) of applicant’s claim. Although the process of creating an expected transaction number is taught by Franklin et al., Franklin et al. do not explicitly state that the generation of the sequence number is based on the transaction number. Bissell et al. teach the process of calculating an expected transaction number based on the transaction number (see col. 1, lines 55-67). Therefore, at the time the invention was made, it would have been obvious to a person of ordinary skill in the art to modify Franklin et al. to explicitly include the steps of creating an expected transaction sequence number (ETSN) for said MAC based on said verification and a transaction sequence number associated with the electronic transaction, providing said check site with reference data associated with the ETSN, generating a second message authentication code using said ETSN and said per-card key, routing said second message authentication code to check site based on said BIN associated with said check site, determining said per-card key associated with the payment account number of an unverified message authentication code having associated ETSN and reference data, and verifying said second message authentication code by said check site using said determined per-card key, and said associated ETSN and reference data. One of ordinary skill in the art would have been motivated to do this because it provides an additional level of security for the transported data.

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Referring to claim 11, Franklin et al. disclose providing reference data to the check site (see claim 6 above). Franklin et al. do not expressly disclose the data includes a number of months indicator. However, this difference is only found in the nonfunctional descriptive material and is not functionally in the step recited. Te providing said check site with reference data would be performed the same regardless of the data. Thus, this descriptive material will not distinguish the claimed invention from the prior art in terms of patentability, see *In re Gulack*, 703 F.2d 1381, 1385, 217 USPQ 401, 404 (Fed. Cir. 1983); *in re Lowry*, 32 F.3d 1579, 32 USPQ2d 1031 (Fed. Cir. 1994). Therefore, it would have been obvious to a person of ordinary skill in the art at the time the invention was made to provide said check site with reference data including any type of information because such data does not functionally relate to the steps in the method.

Allowable Subject Matter

9. Claim 5 is objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

10. Claims 7-10 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims (**specifically, the limitations of claim 7**).

Conclusion

11. Applicant's amendment necessitated the new ground(s) of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

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A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Jalatee Worjloh whose telephone number is (571)272-6714. The examiner can normally be reached on Mondays-Thursdays 8:30 - 7:00.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Trammell can be reached on (571)272-6712. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).

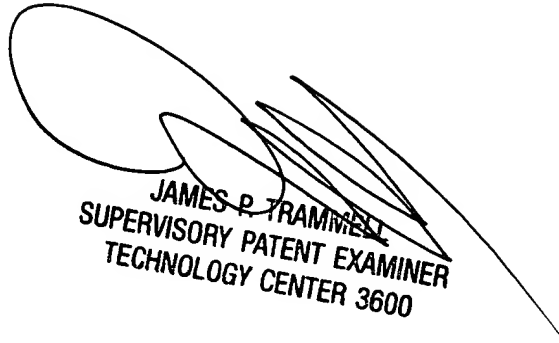
Jalatee Worjloh
Patent Examiner
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May 3, 2005



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